

**RECEIVED
CENTRAL FAX CENTER**

FEB 12 2007

**PATENT
ATTORNEY DOCKET NO. 331235-00021¹**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant(s): Ramsden et al

Serial No.: 10/696,894

Filed: October 30, 2003

Title: Automated Package Shipping Machine

Group Art Unit: 3629

Examiner: Casler, Traci

Customer No.: 27160

Confirmation No.: 9250

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

CERTIFICATION OF TRANSMISSION

I hereby that this correspondence is being facsimile transmitted ((571) 273-8300) to the United States Patent and Trademark Office on

Date

Signature

Printed Name of Person Signing Certificate

REPLY TO EXAMINER'S ANSWER

Sir:

Pursuant to 37 C.F.R. § 41.41, the Applicant hereby submits a reply to the Examiner's Answer, mailed on December 13, 2006, within two months thereof. The Reply Brief does not include any new or non-admitted affidavit or other evidence. Accordingly, it is respectfully requested that the Reply Brief be entered.

It is respectfully submitted that the Examiner's Answer continues to sidestep the issue that the Examiner has failed to make out a *prima facie* case of obviousness as required by MPEP

¹ The Examiner and the Board are kindly requested to amend the Applicant's docket number in future papers.

§ 2143. In particular, for one thing, as set forth in the Applicant's brief, the references do not disclose all of the elements of the claims in contravention of MPEP § 2143. As set forth in the Applicant's Appeal Brief and repeated here for the convenience of the Board, the claims recite *inter alia*:

"a processor system, in communication with said input system and said scale for receiving said information representative of the destination , the selected delivery option and said parcel weight and computing a cost for mailing said package to said destination as a function a function of said parcel weight and the selected delivery option"

CLAIM CONSTRUCTION ARGUMENTS

It is respectfully submitted that the Examiner reads the aforementioned claim element in a manner inconsistent with its plain meaning of the terms and inconsistent with the specification. In particular, the Examiner reads this claim element as though the destination is not part of the cost calculation and bases her rejection on that incorrect assumption. The Applicant respectfully disagrees with this reading of the claim for several reasons. First, the claim recites that the processor receives information relative to the **destination**, delivery option and the weight. Second, the claim recites that the processor computes the cost for mailing the parcel to the destination. Third, any alleged ambiguity in the "processor system" element is clarified in the "printer means" element which states that the system prints a shipping receipt "for an amount including at least the cost of delivering *said parcel or envelope to said destination* via the delivery option chosen by said customer."

It is also respectfully submitted that the Examiner's interpretation of the claim is inconsistent with the specification. For example, the Board's attention is kindly directed to Page 37, line 20 to page 38, line 24 of the instant specification, repeated below for the convenience of the Examiner.

"Once the **weight** and dimensions of the package have been determined at steps 514 through 518, the customer is prompted to provide the necessary **shipping information**. For example, a screen is displayed which requests the customer to enter the **zip code of the**

destination of the item to be mailed. In a preferred embodiment, an automatic zip code check routine is invoked for automatically providing the destination city and state from the zip code information by searching a data base of zip codes. This routine saves the customer from having to enter the city and state information. The customer is next asked whether the recipient's shipping address is a commercial or residential location and then asked to input the destination name and destination street address for the item to be shipped. The zip code and other destination information is preferably inputted into the system via the keyboard 324, although the information may also be provided via the touch screen of CRT 322. The zip code and other information may be evaluated against certain criteria such as whether a 5 digit zip code has been entered. If such criteria are not met, a screen is displayed to the customer which instructs the customer to re-enter the zip code or other information. If the criteria are met, a screen is displayed on CRT 322 instructing the customer to enter the value of the item that is being shipped. The customer then enters the value of the item through keyboard 324 or the touch screen of CRT 322. This information is evaluated to determine whether the declared value exceeds a predetermined maximum. If the predetermined maximum is exceeded, a screen is displayed on CRT 322 instructing the customer to re-enter the valuation information. This process is repeated until the destination name, street address, value and contents are properly entered. At the customer's request, the software of the invention may also automatically insure the package up to a predetermined maximum. All of this data is then checked at step 522 to determine whether it is valid, and, if not, the customer is given an opportunity at step 524 to edit the shipping information as desired.

Once all of the shipping information has been properly entered, the delivery date and cost for each delivery service available to the customer is computed at step 526. "

Thus, it is respectfully submitted that the specification clearly supports that the cost is based in part on the destination as well as the delivery option and weight. The Examiner correctly points out on Page 6 of the Examiner's Answer that limitations in the specification are not to be read into the claims. However, it is respectfully submitted that the Applicant is not requesting that limitations from the specification be read into the claim just that the claims be given a fair construction.

Even assuming *arguendo* that the language of the claim 77 with respect to computation of the cost is ambiguous, the ambiguity is clearly resolved in favor of the Applicant's interpretation. More particularly, the Examiner interprets the claim language relating to the cost as being based solely on weight and delivery option and has absolutely nothing at all to do with the destination. It is respectfully submitted that the same claim language can also be interpreted as computing a cost for mailing a parcel having a specific weight to a destination by a particular delivery option. In fact the claim states: "*computing a cost for mailing said parcel or envelope to said destination.*": It is respectfully submitted that the other terms being relied on by the Examiner can not reasonably be construed to mean that the computation of the cost has nothing to do with the destination but rather that other factors are to be taken into account, namely the weight and the delivery option. In other words, the cost for mailing a parcel to a specific destination varies as a function of its weight and the delivery option. That does not mean that the destination is not taken into account. This is the more reasonable interpretation of the claim language and is fully supported by the specification.

MPEP §2111.01 states that words of a claim are to given their plain meaning. "*This means that that the the words of a claim must be given their plain meaning unless the plain meaning is inconsistent with the specification.*"². As set forth in MPEP §2111.01 III, the "ordinary and customary of a term may be evidenced by a variety of sources including the words of the claims themselves, the remainder of the specification..." Here, the Examiner is clearly interpreting the claim language with respect to the computation of the cost as though the computation is totally independent of destination even though such an interpretation is contrary to the meaning provided in the specification. As discussed above, the Examiner's interpretation clearly runs afoul of the specification in contravention of MPEP §2111.01.

INHERENCY ARGUMENT

The Examiner also implies at the bottom on Page 5 of the Answer and continuing on to Page 6 that:

"It is further noted that although the examiner has not made a (sic) inherency reason for unpatentability for the variables being used for

² MPEP §2111.01

postage cost the appellant has identified variables that are "inherent" (Pg. 6 Bullet points). Therefore, through appellants own admission it is inherent that the system will calculate cost based on the destination, delivery and weight of an item to be mailed. If the limitations the appellant is arguing be (sic) not taught by the prior art are also identified to be inherent that would make the limitations obvious and unpatentable against the prior art of record."

The applicant strongly disagrees with the Examiner's inherency arguments for several reasons. First, the Applicant has not made an admission as stated by the Examiner. It is respectfully submitted that the word "inherently" is being misconstrued. Specifically, the passage in the Appeal Brief being relied upon by the Examiner is as follows:

"Element (b) recites a processor system which inherently receives and processes three (3) types of information, as follows"

The American Heritage Dictionary of the English Language, Copyright 1969 defines inherent as: "existing as an essential constituent or characteristic."³ It is respectfully submitted that the statement simply means that the processor recited in the claims processes three (3) essential constituent types of information. The statement being relied upon by the Examiner simply means three types of information are essential to the processor computing a cost. It is respectfully submitted that any other interpretation of the word "inherently" in the Appeal Brief is simply a misconstruction

Notwithstanding, on one hand the Examiner argues that the claims do not require that destination be included in the calculation of the cost. On the other hand, the Examiner argues the "inherency" of a processor that calculates cost based upon, destination, weight and delivery option.

Based on the above, it is respectfully submitted that the Examiner's construction of the claims should not be sustained. As such, it is respectfully submitted that a proper reading of the claims requires that the destination be a required element in the computation of the cost, an element clearly not shown in any of the cited references.

³ An excerpt from the dictionary is attached.

OBVIOUSNESS REJECTION

It is respectfully submitted that in addition to the references failing to disclose all of the claimed limitations as required by MPEP §2143, it is respectfully submitted that the Examiner's obviousness rejection is flawed for several other reasons.

For one thing, it is respectfully submitted that the Examiner has mischaracterized the Hsieh reference (US Patent No. 4,923,022). In particular, the Examiner states on the bottom of Page 5 extending to Line 2 of Page 7 of the Answer that:

"Therefore, the Hsieh's teaching of letter sorting keys meet the limitation as claimed. If the keys are to be selected by the user they are obviously displayed somewhere on the apparatus."

It is respectfully submitted that the Examiner has mischaracterized this reference. In particular, the Hsieh reference and specifically the letter sorting keys do not meet the limitation recited in the claims relating to "a display for displaying at least two selectable delivery options." The Applicant admits that the Hsieh reference discloses a display but nowhere does the reference disclose or suggest that the selected delivery option is displayed. The Board's attention is directed to Fig. 8 of the Hsieh reference which is a functional diagram of the postage machine disclosed in the Hsieh reference. As the Board will kindly note the information displayed by the Hsieh machine is illustrated in the function blocks 1, 4 and 5. None of these blocks indicate that the selected delivery option is displayed. Accordingly, it should not only be clear that this reference has been misconstrued by the Examiner but also that the cited references fail to disclose another element of the Claim 77 in contravention of MPEP §2143. It is respectfully submitted that the Examiners rejection must be reversed for this reason alone.

PRIMA FACIE CASE

Improper Shifting of the Burden

It is respectfully submitted that the Examiner has failed to make out a prima facie case of obviousness and is attempting to improperly shift that burden to the Applicant for several reasons. First, the MPEP § 2143 places the burden on the Examiner to show a reasonable expectation of success. It is respectfully submitted that the Examiner states :

"As to appellants arguments that examiner has failed a "reasonable expectation of success", the appellant has failed to provide evidence

showing there there is no reasonable expectation of success to support their argument of nonobviousness."

Clearly, the Examiner has not met the burden imposed by MPEP §2143 for making out a *prima facie* case of obviousness by not providing any evidence whatsoever of a reasonable expectation of success. It is respectfully submitted that the rejection must be reversed for this reason alone.

Second, the Examiner has not only failed to meet the burden for setting forth a *prima facie* case of obviousness but improperly believes the burden is on the applicant to show non-obviousness. Indeed the Examiner states on Page 8 of the reply:

"As appellant fails to elaborate and set forth reasons and evidence why the combination is non-obviousness (sic) the examiner is unable to reasonable (sic) understand appellant's support for the arguments. Therefore, in light of the appellant's lack of evidence the examiner deems a case of obviousness has been established and therefore has set forth proper reasons for unpatentability of the claimed limitations."

It is respectfully submitted that from the above statement, it is clear that the Examiner is improperly attempting to shift the burden. As the Board is clearly aware, the burden to make out a *prima facie* case of obviousness clearly is on the Examiner. That burden does not shift to the Applicant until a *prima facie* case has been made out. Here, the Examiner, as discussed above, has never cited references which disclose all of the claim limitations and has not properly addressed the issues of providing a showing of a reasonable expectation of success and motivation or suggestion to combine the elements of the prior art references in the manner suggested by the Examiner. Thus, it is clear that the Examiner has not sustained the burden of establishing a *prima facie* case of obviousness. As the Board is clearly aware, until such time the Examiner establishes a *prima facie* case, the burden does not shift to the Applicant, as the Examiner is improperly trying to do in the instant case. For this reason alone, the Board is respectfully requested to reverse the rejection.

Suggestion to Combine

MPEP § 2143 also requires that the Examiner provide a showing that there was a suggestion or motivation to combine the references in the manner suggested by the Examiner.

With respect to this issue, the Examiner simply notes the dates of the references and simply states that the references "identify the problem of automating the process in order to meet the demands for mailing, sorting and tracking of items." Examiner's Answer, Page 6. However, the Examiner has pointed to reason why someone of ordinary skill in the art would be motivated to combine the elements as set forth in the rejected claims. Simply pointing out that the elements are contained in the prior art and can be combined is simply not enough. More particularly, the Court of Appeals for the Federal Circuit in Dystar Textilfarben GmbH & Co Deutschland Kg v. C.H. Patrick and Bann Quimica Ltda, 464 F.3d 1356 (Fed Cir 2006)⁴ struck down an obviousness finding that simply relied on how the elements in the prior art could be combined rather than pointing to specific information in the two references that suggest the combination ("We held the Board's obviousness determination insufficient because, in addition to failing to make Graham findings, the Board's analysis was 'limited to a discussion of the ways that the multiple prior art references can be combined to read on the claimed invention' rather than pointing to specific information in [the two references] that suggest the combination. *Id* at 1366. As such, it should be clear to the Board that the Examiner has failed to meet the burden of showing that the combination of elements was suggested. As such, it is respectfully submitted that the rejection must be reversed.

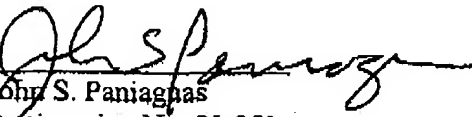
CONCLUSION

In this case, it is respectfully submitted that the references do not disclose all of the elements of the claims. It is also respectfully submitted that the Examiner is misconstruing the claim language in a manner inconsistent with the specification to attempt to sidestep the issue that the references do not disclose all of the claim elements. Further, it is respectfully submitted that the Examiner has failed to provide any evidence that the recited combination elements in the claims were suggested and that there is a reasonable expectation of success of the elements in the references being combined and has improperly attempted to shift this burden to the Applicant. For all of the above reasons, the Board is respectfully requested to reverse the rejection of the claims.

⁴ A copy is attached.

Respectfully submitted,

KATTEN MUCHIN ROSENMAN LLP

By: 
John S. Paniagnas
Registration No. 31,051

Katten Muchin Rosenman LLP
1025 Thomas Jefferson Street, N.W.
East Lobby, Suite 700
Washington, DC 20007-5201
Tel: (312) 902-5200/ Fax: (312) 902-1061

THE AMERICAN HERITAGE DICTIONARY OF THE ENGLISH LANGUAGE

Words that are believed to be registered trademarks have been checked with authoritative sources. No investigation has been made of common-law trademark rights in any word, because such investigation is impracticable. Words that are known to have current registrations are shown with an initial capital and are also identified as trademarks. The inclusion of any word in this Dictionary is not, however, an expression of the publishers' opinion as to whether or not it is subject to proprietary rights. Indeed, no definition in this Dictionary is to be regarded as affecting the validity of any trademark.

©1969 by American Heritage Publishing Co., Inc.
351 Fifth Avenue, New York, New York 10017

All rights reserved under Bern and Pan-American Copyright Conventions

Standard Book Numbers: 395-09064-4 (deluxe edition);
395-09065-2 (plain edition); 395-09066-0 (dramatic edition)

Library of Congress Catalog Card Number J6-84995

Manufactured in the United States of America



vocat: *habens similes* to good beast. 2. Unfriendly; non antagonistic. [*a* voice apparently cold and intemperate (Arn Bonaparte).] [*Lat*o *Latin similes*, from *Latin similes*, *similis*, not + *amicus*, friend (see *amicus* in Appendix*).]

in-ter-i-ty (in-ter-i-ty) *adj.* Defying imitation; matchless. — *in-ter-i-ty* *n.* — *in-ter-i-ty* *adv.*

in-ter-i-ty (in-ter-i-ty) *adj.* Of the nature of *inter-i-ty*; *inter-i-ty*. — *in-ter-i-ty* *adv.*

in-ter-i-ty (in-ter-i-ty) *adj.* 1. Moral turpitude or wickedness: "the human mind, since the Fall, was tainted by stain of enigma" (Fielding). 2. A grossly immoral act; a (Middle English *inter-i-ty*, from Old French, from Latin *inter-i-ty* from *inter-i-ty*, unjust; *in-*, not + *equus*, just, equal.)

in-ter-i-ty (in-ter-i-ty) *adj.* *Abbr.* *int.* 1. Occurring at the beginning; incipient. 2. Denoting the first letter or letters of a word. — *Abbr.* *int.* 1. *Often plural.* The first letter or letters of a person's name or name, used as a shortened designation for identification. 2. The first letter of a word. 3. A large, or highly decorated letter at the beginning of a chapter, or paragraph, or the like of a book. — *int.* *initiated*, *initiating*, *initiation*, *initiator*, *initiate*, *initiator*. To mark or sign with or own initial or initials. [*Latin initia*, from *initium*, beginning. See *init* in Appendix*.] — *in-ter-i-ty* *adv.*

in-ter-i-ty (in-ter-i-ty) *adv.* *initiated*, *initiating*, *initiation*. 1. To begin originally. 2. To introduce (a person) to a new field, inner skill, or the like; instruct; guide. 3. To admit into membership as with ceremonies or ritual. — *See* *Synonyms* at *begin*. — *in-ter-i-ty* *initiated*. — *in-ter-i-ty* (in-ter-i-ty) 1. One who has been initiated. 2. A novice; beginner. [*Latin initia*, from *initium*, beginning. See *init* in Appendix*.] — *in-ter-i-ty* (in-ter-i-ty) 1. An informing or being informed; a rudimentary exposure, instruction. 2. A ceremonial, test, or period of instruction with which a new member admitted to an organization or office or to knowledge.

in-ter-i-ty (in-ter-i-ty) *adv.* *initiated*, *initiating*, *initiation*. 1. The possibility, or instance to begin or to follow through with a plan; task; enterprise and determination. 2. The first step of action; moving; active role; take the initiative. 3. *Government*. — *in-ter-i-ty* (in-ter-i-ty) 1. The power or right to introduce a new legislative measure. 2. The right and procedure by which citizens can propose a bill by petition and secure its submission to the electorate. — *in-ter-i-ty* (in-ter-i-ty) 1. Spontaneously or on one's own; a motivated; without instruction or coercion. — *in-ter-i-ty* (in-ter-i-ty) 1. Of pertaining to initiation. 2. Used to initiate; initiatory. — *in-ter-i-ty* *adv.*

in-ter-i-ty (in-ter-i-ty) (in-ter-i-ty) *adv.* 1. Introductory; initial. 2. Used to initiate; initiative.

in-ter-i-ty (in-ter-i-ty) *adv.* *initiated*, *initiating*, *initiation*.

in-ter-i-ty (in-ter-i-ty) *adv.* *initiated*, *initiating*, *initiation*. 1. a. To force drive (a fluid) into. b. *Medicine*. To introduce (a fluid) into skin, subcutaneous tissue, muscle, blood vessels, or a body cavity. 2. To introduce (a comment or new element) into conversation or consideration: *inject a note of humor into negotiations*. 3. To place into an orbit, trajectory, or path. [*Latin in-ter-i-ty*, *in-ter-i-ty* (past participle *in-ter-i-ty*), to throw or to: *in-*, in + *tere*, to throw (see *ye* in Appendix*).] — *in-ter-i-ty* (in-ter-i-ty) *adv.*

in-ter-i-ty (in-ter-i-ty) *adv.* *initiated*, *initiating*, *initiation*. 1. The act of injecting. 2. A fluid that is injected. 3. Broadly, anything injected.

in-ter-i-ty (in-ter-i-ty) *adv.* *initiated*, *initiating*, *initiation*. Lacking judgment or discretion. — *in-ter-i-ty* (in-ter-i-ty) *adv.* *initiated*, *initiating*, *initiation*.

in-ter-i-ty (in-ter-i-ty) *adv.* *initiated*, *initiating*, *initiation*. An American Indian [*in-ter-i-ty* (in-ter-i-ty) *adv.* *initiated*, *initiating*, *initiation*].

in-ter-i-ty (in-ter-i-ty) *adv.* *initiated*, *initiating*, *initiation*. 1. The act of enjoining. 2. That which is enjoined; a command, directive, or order. 3. *Law*. Court order enjoining or prohibiting a party from a specific course of action. [*Lat*o *Latin in-ter-i-ty*, from *Latin in-ter-i-ty* (past participle *in-ter-i-ty*), to enjoin; *in-*, in + *tere*, to: *in-ter-i-ty* (in-ter-i-ty) *adv.* *initiated*, *initiating*, *initiation*]. — *in-ter-i-ty* (in-ter-i-ty) *adv.* *initiated*, *initiating*, *initiation*.

in-ter-i-ty (in-ter-i-ty) *adv.* *initiated*, *initiating*, *initiation*. 1. To cause harm; damage; hurt. 2. To commit an injustice or offense against; wrong. [*Back-formation from INJURY*.] — *in-ter-i-ty* (in-ter-i-ty) *adv.* *initiated*, *initiating*, *initiation*. *Synonyms*: *injure*, *harm*, *hurt*, *damage*, *impair*, *mar*, *spoil*. These verbs refer to acts causing loss in some respect. *Injure* has the widest range. With respect to persons, it can refer to acts that adversely affect health, appearance, feelings, reputation or that do injustice according to law. Applied things, it implies an act that lowers value. *Harm* and *hurt* refer principally to what causes physical or mental distress to living things or diminishes the worth of inanimate objects. *Damage* usually implies injury to reputation or status or injury it decreases the value of property. *Impair* refers to what diminishes the quality of health or the strength or utility of things. *Mar* applies principally to acts that injure things, either physically by disfiguring or figuratively by depriving them of high quality. *Spoil* refers both to destroying the usefulness of things and to causing harm to human character or personality through overindulgence. *Wrong* refers to causing physical injury to persons or animals or mental distress to a person.

in-ter-i-ty (in-ter-i-ty) *adv.* *initiated*, *initiating*, *initiation*. 1. Harmful or damaging; deleterious. 2. Rancorous; seditious.

in-ter-i-ty (in-ter-i-ty) *adv.* *initiated*, *initiating*, *initiation*. 1. Damage of or to a person, property, reputation, or thing. 2. A specific damage or wound. 3. *Law*. Any wrong or damage done to another person or to his property, reputation, or rights by caused by the wrongful act of another. 4. *Obsolescence*. An injury. — *See* *Synonyms* at *injure*. [*Middle English injure*, from Norman French, from Latin *injuria*, injustice, wrong, from

464 F.3d 1356, *; 2006 U.S. App. LEXIS 24642, **;
80 U.S.P.Q.2D (BNA) 1641

1 of 6 DOCUMENTS

**DYSTAR TEXTILFARBEN GMBH & CO DEUTSCHLAND KG, Plaintiff-Appellee,
v. C.H. PATRICK CO., and BANN QUIMICA LTDA, Defendants-Appellants.**

06-1088

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

464 F.3d 1356; 2006 U.S. App. LEXIS 24642; 80 U.S.P.Q.2D (BNA) 1641

October 3, 2006, Decided

SUBSEQUENT HISTORY: Rehearing denied by, Rehearing, en banc, denied by *Dystar Textilfarben GmbH v. C.H. Patrick Co.*, 2006 U.S. App. LEXIS 32267 (Fed. Cir., Dec. 4, 2006)

PRIOR HISTORY: [**1] Appealed from United States District Court for the District of South Carolina. Magistrate Judge William M. Caroe, Jr. *DyStar Textilfarben GmbH & Co. Deutschland KG v. C. H. Patrick Co.*, 2005 U.S. Dist. LEXIS 43662 (D.S.C., Nov. 1, 2005)

DISPOSITION: REVERSED.

LexisNexis(R) Headnotes

Patent Law > Jurisdiction & Review > Standards of Review > General Overview

[HN1] The United States Court of Appeals for the Federal Circuit reviews decisions on motions for judgment as a matter of law and motions for a new trial under the law of the regional circuit.

Patent Law > Jurisdiction & Review > Standards of Review > De Novo Review

[HN2] In the Fourth Circuit, the grant or denial of a judgment as a matter of law (JMOL) in a patent infringement action is reviewed de novo, which requires the appellate court to step into the shoes of the trial judge and reapply the JMOL standard. The question is whether a jury, viewing the evidence in the light most favorable to the plaintiff, could have properly reached the conclusion reached by the jury. The appellate court must reverse if a reasonable jury could only rule in favor of the defendant; if reasonable minds could differ, the appellate court must affirm.

Patent Law > Jurisdiction & Review > Standards of Review > Abuse of Discretion

[HN3] In the context of a patent infringement action, the denial of a motion for a new trial is reviewed in the Fourth Circuit for abuse of discretion.

Patent Law > Jurisdiction & Review > Standards of Review > De Novo Review

Patent Law > Nonobviousness > Elements & Tests > Ordinary Skill Standard

[HN4] A determination that a claimed invention would have been obvious, and thus the patent issued thereon invalid, is a legal conclusion that the United States Court of Appeals for the Federal Circuit reviews de novo. The Federal Circuit must determine if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. 35 U.S.C. § 103(a). The Federal Circuit thus considers whether a person of ordinary skill in the art would have been motivated to combine the prior art to achieve the claimed invention and whether there would have been a reasonable expectation of success in doing so.

Patent Law > Nonobviousness > Elements & Tests > General Overview

[HN5] Obviousness depends on (1) the scope and content of the prior art; (2) the differences between the claimed invention and the prior art; (3) the level of ordinary skill in the art; and (4) any relevant secondary considerations, including commercial success, long felt but unsolved needs, and failure of others.

Patent Law > Nonobviousness > Elements & Tests > Prior Art

464 F.3d 1356, *, 2006 U.S. App. LEXIS 24642, **,
80 U.S.P.Q.2D (BNA) 1641

[HN6] The United States Court of Appeals for the Federal Circuit articulates a subsidiary requirement for the first Graham factor, the scope and content of the prior art. Where all claim limitations are found in a number of prior art references, the factfinder must determine what the prior art teaches, whether it teaches away from the claimed invention, and whether it motivates a combination of teachings from different references. It is important in this inquiry to distinguish between the references sought to be combined and the prior art, as the latter category is much broader. For example, textbooks or treatises may include basic principles unlikely to be restated in cited references.

Patent Law > Nonobviousness > Elements & Tests > Prior Art

[HN7] As the United States Court of Appeals for the Federal Circuit explains, the suggestion test, as the motivation-to-combine inquiry has come to be known, prevents statutorily proscribed hindsight reasoning when determining the obviousness of an invention. This test informs the Graham analysis by implementing the recognition of the importance of guarding against hindsight, as is evident in its discussion of the role of secondary considerations as serving to guard against slipping into use of hindsight and to resist the temptation to read into the prior art the teachings of the invention in issue.

Patent Law > Nonobviousness > Elements & Tests > Prior Art

[HN8] In contrast to the characterization of some commentators, the suggestion test is not a rigid categorical rule. The motivation need not be found in the references sought to be combined, but may be found in any number of sources, including common knowledge, the prior art as a whole, or the nature of the problem itself. There is no requirement that the prior art contain an express suggestion to combine known elements to achieve the claimed invention. Rather, the suggestion to combine may come from the prior art, as filtered through the knowledge of one skilled in the art.

Civil Procedure > Appeals > Standards of Review > General Overview

[HN9] When the jury does not make explicit factual findings in the form of answers to written interrogatories or special verdicts, the appellate court must discern the jury's implied factual findings by interpreting the evidence consistently with the verdict and drawing all reasonable inferences in the prevailing party's favor.

Patent Law > Nonobviousness > Elements & Tests > Prior Art

[HN10] Where claim limitations are found in a combination of prior art references, the factfinder must determine what the prior art teaches, whether it teaches away from the claimed invention, and whether it motivates a combination of teachings from different references.

Patent Law > Nonobviousness > Elements & Tests > Prior Art

[HN11] In the context of determining whether a patent is obvious, evidence of a motivation to combine need not be found in the prior art references themselves, but rather may be found in the knowledge of one of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved. When not from the prior art references, the evidence of motive will likely consist of an explanation of the well-known principle or problem-solving strategy to be applied.

Patent Law > Nonobviousness > Elements & Tests > Prior Art

[HN12] The United States Court of Appeals for the Federal Circuit's suggestion test is in actuality quite flexible and not only permits, but requires, consideration of common knowledge and common sense in determining a patent's obviousness.

Patent Law > Nonobviousness > Elements & Tests > Prior Art

[HN13] The United States Court of Appeals for the Federal Circuit repeatedly holds that an implicit motivation to combine exists not only when a suggestion may be gleaned from the prior art as a whole, but when the improvement is technology-independent and the combination of references results in a product or process that is more desirable, for example because it is stronger, cheaper, cleaner, faster, lighter, smaller, more durable, or more efficient. Because the desire to enhance commercial opportunities by improving a product or process is universal, and even common-sensical, the Federal Circuit holds that there exists in these situations a motivation to combine prior art references even absent any hint of suggestion in the references themselves. In such situations, the proper question is whether the ordinary artisan possesses knowledge and skills rendering him capable of combining the prior art references.

Patent Law > Nonobviousness > Elements & Tests > Ordinary Skill Standard

464 F.3d 1356, *, 2006 U.S. App. LEXIS 24642, **,
80 U.S.P.Q.2D (BNA) 1641

Patent Law > Nonobviousness > Elements & Tests > Prior Art

[HN14] Although the United States Court of Appeals for the Federal Circuit customarily discusses a motivation to combine as part of the first Graham factor in determining obviousness, the scope and content of the prior art, motivation to combine is also inextricably linked to the level of ordinary skill. If, as is usually the case, no prior art reference contains an express suggestion to combine references, then the level of ordinary skill will often predetermine whether an implicit suggestion exists. Persons of varying degrees of skill not only possess varying bases of knowledge, they also possess varying levels of imagination and ingenuity in the relevant field, particularly with respect to problem-solving abilities.

Patent Law > Nonobviousness > Elements & Tests > General Overview

[HN15] The United States Court of Appeals for the Federal Circuit must evaluate obviousness on a claim-by-claim basis

COUNSEL: William T. Enos, Oblon, Spivak, McClelland, Maier & Neustadt, P.C., of Alexandria, Virginia, argued for plaintiff-appellee. With him on the brief were Richard D. Kelly and Andrew K. Beverina.

Neil C. Jones, Nelson Mullins Riley & Scarborough, L.L.P., of Greenville, South Carolina, argued for defendants-appellants.

JUDGES: Before MICHEL, Chief Judge, RADER and SCHALL, Circuit Judges. Opinion for the court filed by Chief Judge MICHEL. Concurring opinion filed by Circuit Judge SCHALL.

OPINION BY: MICHEL

OPINION: [*1357] MICHEL, Chief Judge.

DyStar Textilfarben GmbH & Co. Deutschland KG ("DyStar") sued defendants C.H. Patrick Co. and Bann Quimica Ltda. (collectively, "Bann") in the United States District Court for the District of South Carolina, alleging direct, contributory, and induced infringement of *U.S. Patent No. 5,586,992* ("the '992 patent"), n1 which discloses a process for dyeing textile materials with catalytically hydrogenated leuco indigo. DyStar and Bann Quimica Ltda. are large chemical manufacturers [*1358] that, inter alia, sell prereduced indigo for use in dyeing [**2] processes. C.H. Patrick Co. purchased prereduced indigo solution from Bann Quimica Ltda. in 2002 and used it to dye yarn in a process alleged to infringe.

n1 BASF was the assignee of the '992 patent. BASF divested its dyestuff business, including the '992 patent, to DyStar in 2000.

The parties agreed to a jury trial before a magistrate judge. Prior to charging the jury and in open court, the magistrate judge granted DyStar's motion for judgment as a matter of law ("JMOL") that it had not engaged in inequitable conduct before the United States Patent and Trademark Office ("PTO"). The jury rendered a verdict that "Bann Quimica and/or C.H. Patrick" had infringed each of claims 1-4, assessed damages at \$ 90,000, and declined to hold the '992 patent claims invalid for lack of enablement, anticipation or obviousness. *Dystar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, Civ. No. 6:02-2946-WMC (D.S.C. Sept. 16, 2005).

Following briefing, the magistrate judge denied Bann's motions for JMOL or, alternatively, a new trial on the question of invalidity of the '992 patent for anticipation, obviousness, and lack of enablement. *Dystar Textilfarben GmbH v. C. H. Patrick Co.*, Civ. No. 6:02-2946-WMC, 2005 U.S. Dist. LEXIS 43662 (D.S.C. Nov. 1, 2005). The magistrate judge did not issue an opinion. His order stated:

The jury diligently considered the evidence presented and found for the plaintiff. This court concludes that the jury's verdict was reasonable and was supported by evidence in the record. Therefore, as this court has great respect for trial by jury and the right of the parties to request a jury trial, this court will not substitute its findings for those of the jury as the jury's decision was clearly supported by the trial record and was reasonable.

Id.

Bann appeals from the denials of its motions on anticipation and obviousness, and the grant of JMOL to DyStar regarding inequitable conduct. For the reasons explained below, we reverse the district court's denial of Bann's motion for JMOL of invalidity of claims 1-4 for obviousness.

1

Indigo has been used in dyeing textile materials for thousands of years. Because indigo pigment is insoluble in water, it must be de-oxidized, or "reduced," to a water-soluble white form known as "leuco indigo" before it can be used in dyeing. Leuco indigo is unstable, it oxidizes [**4] and returns to its blue pigment form when

464 F.3d 1356, *; 2006 U.S. App. LEXIS 24642, **;
80 U.S.P.Q.2D (BNA) 1641

exposed to oxygen. Thus, leuco indigo solution needs to be kept in an oxygen-free environment, or otherwise stabilized, if it is not being used immediately for dyeing.

For many years, dyehouses commonly reduced indigo in-house through a process known as hydrosulfite reduction. Dyers created a "stock vat," in which indigo is reduced in water with sodium hydrosulfite and solubilized with an alkali, e.g., sodium hydroxide. The resulting leuco indigo solution is then transferred into a feed tank and fed into the dyebath. After the dyebath is prepared, the textile material is dyed through a process known as "dipping" and "skying." In "dipping," the textile material is contacted with leuco indigo in the dyebath, in "skying," the dyed textile material is introduced to the air, causing the indigo to convert back to its blue pigment form.

A second common method of indigo reduction, catalytic hydrogenation, was patented by Andre Brochet in 1917. See *U.S. Patent No. 1,247,927* ("Brochet"). The superficial difference between hydrosulfite reduction and catalytic hydrogenation is that the latter uses gaseous hydrogen, [*1359] rather than sodium hydrosulfite, [*135] as a reducing agent. Catalytic hydrogenation allowed "economical production of concentrated solutions of leuco derivatives free from impurities and mineral salts"; when left to settle, the solution naturally separates from nickel or another catalytic metal and can be "drawn off and is ready for use". Brochet, 11.88-90, 109-110. Most important to the dyehouses, however, was the fact that Brochet's leuco indigo solution could be stabilized in solid form, usually powder or paste, and coated with molasses or glue to protect the reduced indigo from air and prevent premature oxidation. This allowed the indigo reduction process to shift out of the dyehouses and into chemical manufacturers, which began to produce and sell prereduced indigo to dyehouses in the early 1900s. Rather than create a stock vat, dyers needed only to dissolve the prereduced indigo into a preparation tank, add caustic soda (i.e., sodium hydroxide) and sodium hydrosulfite to remove oxygen from the water, and transfer the resulting solution from the preparation tank to the dyebath. This significantly reduced the time necessary to prepare a dyebath, the dyehouses' expenditures on sodium hydrosulfite and caustic soda, and [*136] the level of pollution in dyehouse waste water and on dyehouse floors.

The process of dyeing textile materials with catalytically hydrogenated leuco indigo traditionally has involved six steps: (1) reducing indigo to its leuco form in solution; (2) stabilizing the leuco indigo solution, usually in paste or powder form; (3) creating a preparation tank in which the dried leuco indigo is re-converted to solution form; (4) adding the solution to the dyebath; (5) dipping; and (6) skying.

Claim 1 of the '992 patent, the only independent claim at issue, recites.

A process for dyeing cellulose-containing textile material with indigo which comprises

a) introducing into a dyebath an aqueous solution of leuco indigo solution prepared by catalytic hydrogenation;

b) contacting the textile material with the dyebath; and, after the leuco indigo has gone onto the textile material,

c) converting said leuco indigo back into the pigment form in a conventional manner by air oxidation.

'992 patent, col.6, 1.66-col.7, 1.6. The '992 patent thus improved upon the prior art by eliminating steps two and three of the traditional process: stabilizing the leuco indigo solution [*137] into a paste or powder form, and then reconstituting the solution in a preparation tank. Instead, it allowed a dyer to pour prereduced indigo solution directly into a dyebath and commence dyeing immediately.

¶¶

Bann appeals from the denials of its motions on anticipation of claim 1 and obviousness of claims 1-4, and the grant of DyStar's JMOL of no inequitable conduct. [HN1] We review decisions on motions for JMOL and motions for a new trial under the law of the regional circuit. *MicroStrategy, Inc. v. Bus. Objects, S.A.*, 429 F.3d 1344, 1348 (Fed. Cir. 2005) (JMOL), *EMI Group N. Am., Inc. v. Cypress Semiconductor Corp.*, 268 F.3d 1342, 1348 (Fed. Cir. 2001) (new trial). [HN2] In the Fourth Circuit, the grant or denial of JMOL is reviewed de novo, which requires us to step into the shoes of the trial judge and reapply the JMOL standard *Johnson v. MBNA Am. Bank, NA*, 357 F.3d 426, 431 (4th Cir. 2004). "The question is whether a jury, viewing the evidence in the light most favorable to [DyStar], could have properly reached the conclusion reached by this [*1360] jury. We must reverse if a reasonable jury could only rule in favor of [Bann]; if reasonable [*138] minds could differ, we must affirm." *Id.* (internal citation and quotation marks omitted). [HN3] The denial of a motion for a new trial is reviewed in the Fourth Circuit for abuse of discretion. *United States v. Perry*, 335 F.3d 316, 320 (4th Cir. 2003).

Bann asserts that claim 1 of the '992 patent is invalid because it is anticipated by Brochet. Bann further argues

464 F.3d 1356, *, 2006 U.S. App. LEXIS 24642, **;
80 U.S.P.Q.2D (BNA) 1641

that claims 1-4 are invalid as obvious in light of Brochet and certain other prior art, including two pre-1917 BASF patents--United States Patent Nos. 820,900 ("Wimmer") and 885,978 ("Chaumar"), a post-World War II report of the British Intelligence Objectives Sub-Committee ("BIOS report"), and the 1936 Manual for the Dyeing of Cotton and Other Vegetable Fibres ("Manual"), published by General Dyesnuff Corporation. We address the broader argument, relating to obviousness, first.

A

[HN4] A determination that a claimed invention would have been obvious, and thus the patent issued thereon invalid, is a legal conclusion that we review de novo. *Richardson-Vicks, Inc. v. The Upjohn Co.*, 122 F.3d 1476, 1479 (Fed. Cir. 1997). We must determine "if the differences between the subject matter [*9] sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." 35 U.S.C. § 103(a). We thus consider whether a person of ordinary skill in the art would have been motivated to combine the prior art to achieve the claimed invention and whether there would have been a reasonable expectation of success in doing so. *Brown & Williamson Tobacco Corp. v. Philip Morris, Inc.*, 229 F.3d 1120, 1124 (Fed. Cir. 2000).

Underpinning this legal inquiry are four groups of factual findings, which, in a jury trial, we review for substantial evidence. *Richardson-Vicks*, 122 F.3d at 1479. Following the 1952 enactment of § 103, the Supreme Court explained that [HN5] obviousness depends on (1) the scope and content of the prior art; (2) the differences between the claimed invention and the prior art; (3) the level of ordinary skill in the art; and (4) any relevant secondary considerations, including commercial success, long felt but unsolved needs, and failure of others. *Graham v. John Deere Co.*, 383 U.S. 1, 17, 86 S. Ct. 684, 15 L. Ed. 2d 545 (1966). [*10]

[HN6] This court has articulated a subsidiary requirement for the first Graham factor, the scope and content of the prior art. *SIBIA Neurosciences, Inc. v. Cadus Pharma Corp.*, 225 F.3d 1349, 1356 (Fed. Cir. 2000). Where, as here, all claim limitations are found in a number of prior art references, the factfinder must determine "[w]hat the prior art teaches, whether it teaches away from the claimed invention, and whether it motivates a combination of teachings from different references". *In re Fulton*, 391 F.3d 1195, 1199-1200 (Fed. Cir. 2004). It is important in this inquiry to distinguish between the references sought to be combined and "the prior art", as the latter category is much broader. For example, textbooks or treatises may include basic principles unlikely to be restated in cited references.

[HN7] As we recently explained in *Alza Corp. v. Mylan Labs., Inc.*, No. 06-1019, 464 F.3d 1286, 2006 U.S. App. LEXIS 22616 (Fed. Cir. Sept. 6, 2006), the suggestion test--as our motivation-to-combine inquiry has come to be known--"prevent[s] statutorily proscribed hindsight reasoning when determining the obviousness of an [*1361] invention." *Id.* at *7. This [*11] test "informs the Graham analysis", *id.* at *8 (quoting *In re Kuhn*, 441 F.3d 977, 987 (Fed. Cir. 2006)), by implementing the Supreme Court's recognition of "the importance of guarding against hindsight, as is evident in its discussion of the role of secondary considerations as 'serv[ing] to guard against slipping into use of hindsight and to resist the temptation to read into the prior art the teachings of the invention in issue.'" *Id.* at *6 (quoting *Graham*, 383 U.S. at 36).

[HN8] In contrast to the characterization of some commentators, the suggestion test is not a rigid categorical rule. The motivation need not be found in the references sought to be combined, but may be found in any number of sources, including common knowledge, the prior art as a whole, or the nature of the problem itself. *In re Dembiczak*, 173 F.3d 994, 999 (Fed. Cir. 1999). As we explained in *Motorola, Inc. v. Interdigital Tech. Corp.*, 121 F.3d 1461, 1472 (Fed. Cir. 1997), "there is no requirement that the prior art contain an express suggestion to combine known elements to achieve the claimed invention. Rather, the suggestion to combine [*12] may come from the prior art, as filtered through the knowledge of one skilled in the art."

For one to conclude that the invention of the '992 patent would have been obvious, then, the prior art, common knowledge, or the nature of the problem, viewed through the eyes of an ordinary artisan, must have suggested the following steps: (1) creating leuco indigo solution through catalytic hydrogenation; (2) stabilizing the leuco indigo in solution form; (3) adding the leuco indigo solution directly into a dye bath; (4) dipping; and (5) skying. [fN9] Because the jury did not make explicit factual findings in the form of answers to written interrogatories or special verdicts, we must discern the jury's implied factual findings by interpreting the evidence consistently with the verdict and drawing all reasonable inferences in DyStar's favor. *Konkel v. Bob Evans Farms, Inc.*, 163 F.3d 275, 279 (4th Cir. 1999).

B

Bann's obviousness argument rests primarily on three U.S. patents: Brochet, Wimmer, and Chaumar. Brochet is directed to "the Manufacture of Leuco Derivatives of Vat Dyesnuffs" generally, of which indigo is one. Brochet, ll.6-7. By its plain language, Brochet discloses [*13] the process of preparing an aqueous solution of leuco indigo by catalytic hydrogenation. There can be no serious dis-

464 F.3d 1356, *, 2006 U.S. App. LEXIS 24642, **,
80 U.S.P.Q.2D (BNA) 1641

pute that the ultimate use of a "dyestuff" is dyeing textile materials; indeed, the '992 *patent* inventor, Georg Schnitzer, testified that leuco indigo solutions were known to be used in 1917 for dyeing, and Dr. Richard Blackburn, one of DyStar's technical experts, testified that BASF began reducing indigo with catalytic hydrogenation, and selling the reduced indigo to dyehouses, in 1926. Moreover, both parties agree that dipping and skying were well known in the art. As explained *supra*, when indigo is reduced in-house in a stock vat, the resulting leuco indigo solution is introduced directly into the dye bath without first being stabilized through drying. Thus, the critical issue in our obviousness analysis is whether stabilizing catalytically reduced leuco indigo in solution form, rather than in powder form coated with molasses, for example, renders the claimed process nonobvious to one of ordinary skill in the art.

1. Level of Ordinary Skill in the Art

Because the parties disagree over the relevance of the cited prior art, which, [*1362] fundamentally, is a disagreement [**14] over the level of ordinary skill in the art, we address this third *Graham* factor first. DyStar asserts that we must disregard Brochet, Wimmer, and Chaumat, because a person of ordinary skill in the art would not be aware of these references. In short, DyStar argues that no knowledge of chemistry is required in the relevant technical field.

DyStar points to testimony from Dr. Blackburn that "[a] person of ordinary skill in the art is a dyer", someone with "a high school degree" who is "able to read and write", but whose knowledge is limited to "flipping the switches" on the machine. Dr. Blackburn also testified, however, that a person of ordinary skill in the art was "running the dye processes", which required, *inter alia*, "doing the calculations". When confronted with the inconsistency between his testimony regarding the applicable level of skill during cross-examination, Dr. Blackburn stated that "it's difficult to say" which of the two skill levels should be applied to the obviousness inquiry. Dr. Blackburn explained that "those people may do both jobs", but concluded by stating, "I think the former [i.e., the person 'flipping the switches'] is the ordinary artisan. Thus, [**15] the jury had evidence before it of two potential levels of ordinary skill: (1) that of a dyer and (2) that of a person creating the dye processes, who we will refer to as a dyeing process designer.

DyStar presented evidence that *The Application of Vat Dyes*, a book by the American Association of Textile Chemists and Colorists, teaches people how to dye and is a text that a dyer would have had at the time of the '992 *patent* invention. Dr. Nolan Eiters, Bann's expert witness, agreed that "a person of ordinary skill in the art" would be a member of the American Association of Textile Chem-

ists and Colorists and conceded that none of the prior art cited by Bann is referenced in *The Application of Vat Dyes*.

We agree with DyStar that we are required to assume the jury accepted its argument that a person of ordinary skill in the art is a dyer with no knowledge of chemistry. Because the jury heard testimony that the prior art cited by Bann was directed toward chemists, not dyers, the jury must have found the prior art cited by Bann neither in the relevant art nor analogous arts and then, consistent with the limited evidence of prior art deemed relevant, concluded that the process claimed [**16] in the '992 *patent* would not have been obvious.

However, substantial evidence does not support the jury's finding that a person of ordinary skill is a dyer with no knowledge of chemistry. Indeed, that factual finding is inconsistent with the '992 *patent's* very purpose. The technical problem that the process of the '992 *patent* and the prior art cited by Bann sought to solve is precisely the same: an improved process for dyeing textile materials with indigo. This process includes several discrete sub-components—e.g., indigo reduction and dye bath preparation—and an ordinary artisan would be concerned with all of them. To beneficially practice the dyeing process claimed in the '992 *patent*, the ordinary artisan must have a higher-level perspective, as he must first decide whether it is more efficient to reduce indigo in-house or purchase prereduced indigo and, if prereduced, must then decide whether solid or solution form is preferable.

Designing an optimal dyeing process requires knowledge of chemistry and systems engineering, for example, and by no means can be undertaken by a person of only high school education whose skill set is limited to "flipping the switches". This is especially [**17] true when one considers that only in the last century have improvements [*1363] in indigo reduction chemistry enabled outsourcing of the indigo reduction step from dyehouses to chemical manufacturers; prior to that simplification, there would have been no question that a dyer would also require knowledge of indigo reduction. Because, for this patent, the only finding supported by substantial evidence is that an ordinary artisan is not a dyer but a person designing an optimal dyeing process, the jury's implicit finding of a mere dyer cannot withstand scrutiny on JMOL. Accordingly, the jury's apparent decision to disregard Brochet, Wimmer, and Chaumat, and perhaps other prior art references, as neither in the dye process art nor even in analogous arts is unsupported by substantial evidence.

2. Scope and Content of Prior Art

[HN10] Where, as here, claim limitations are found in a combination of prior art references, the factfinder must determine "[w]hat the prior art teaches, whether it

464 F.3d 1356, *; 2006 U.S. App. LEXIS 24642, **;
80 U.S.P.Q.2D (BNA) 1641

teaches away from the claimed invention, and whether it motivates a combination of teachings from different references". *Fulton*, 391 F.3d at 1199-1200 (Fed. Cir. 2004).

To support its argument [**18] that an ordinary artisan—i.e., a dyeing process designer—would have known to attempt to stabilize the Brochet solution in oxygen-excluding conditions for addition directly into a dyebath, Bann points to two pre-Brochet BASF patents. Wimmer, issued in 1906, discloses a leuco indigo solution that "can be filtered and the filtrate (which contains a high percentage of indigo white) can be placed on the market without any further treatment", in contrast to reduction using zinc, which required the solution "to be separated before the solution can be used for dyeing." Wimmer, 11.34-40. Chaumat, issued in 1908, discloses a leuco indigo solution that "may be drawn off protected from the air and preserved indefinitely in receptacles which are either soldered or closed in any other hermetic manner." Chaumat, 11.84-87. Although Wimmer and Chaumat disclose different reducing methods than Brochet—Wimmer suggests the use of iron, rather than zinc, as a reducing agent, and Chaumat discloses an electrolytic process for indigo reduction—Bann argues that once the indigo has been converted to its leuco form, the distinction is irrelevant for dyeing purposes. Accordingly, Bann argues that this prior [**19] art would teach an ordinary artisan in the field of indigo dyeing process design to attempt to stabilize any leuco indigo solution, however reduced, for addition directly into the dyebath.

a. What does the prior art teach?

DyStar argues that because Wimmer and Chaumat involve different methods of reducing indigo, they are nonanalogous art and properly disregarded by the jury. In support of this assertion, Mr. Schnitzer testified that, up until the time of the invention, BASF's "people from production" believed that leuco indigo created from catalytic hydrogenation was too unstable to be added directly to the dyebath, and might "stain the yarn with indigo pigment" or "block[] pipes". DyStar offered evidence that, prior to the '992 patent, BASF had limited its sales of catalytically hydrogenated leuco indigo to that stabilized in paste or solid form. Thus, argues DyStar, the language in Wimmer and Chaumat suggesting that the solution could be stabilized and sold in solution form does not apply to catalytically hydrogenated leuco indigo solution.

We disagree. As explained supra, the proper focus is on the indigo dyeing process as a whole, which requires the [**20] ordinary artisan to consider (and choose between) the various indigo reduction methods. The '992 patent is directed toward [*1364] a process of dyeing with indigo and, although a specific method of reduction is required by claim 1, the first step in the process requires

indigo in prereduced form. It is undisputed that reduced indigo by any reduction method, not just catalytic hydrogenation, has been used in the indigo dyeing process. The prior art involving indigo reduction by other methods is thus not merely analogous art, it is the same art. Accordingly, all limitations recited by claim 1 of the '992 patent—including the immediate use of leuco indigo solution for dyeing—are contained in the prior art. n2

n2 Because the only difference between the claimed invention and the cited prior art is the method of indigo reduction, which we have held is irrelevant to an indigo dyeing process employing prereduced indigo, we do not separately discuss this second Graham factor.

b. Does the prior art teach away from the claimed invention?

We reject DyStar's assertion that contemporaneous articles by Wimmer and Brochet teach away from the combination [**21] of Brochet and Chaumat, and thus the claimed process. DyStar acknowledges that no specific language in these references teaches away from the invention of the '992 patent. Rather, because these references do not discuss the stabilization of leuco indigo solution (in solution form) for immediate addition to a dyebath, DyStar somehow concludes that these references teach that leuco indigo solution "cannot be used to dye but is instead useful only as an intermediate."

Although Wimmer's contemporaneous article only describes the use of indigo solution as an intermediate product, he does not retract his patent language indicating that "the solution can be filtered and the filtrate (which contains a high percentage of indigo white) can be placed on the market without any further treatment". Wimmer, 11.33-37. Likewise, the Brochet patent, directed toward all vat dyes, broadly teaches that the process "produce[s] mother-liquors which can be diluted immediately before use, or be treated by evaporation under reduced pressure or by any other means to obtain concentrated products for sale." Brochet, 11.66-70. This language implies that all vat dyes, including indigo, may either be [**22] used immediately for dyeing or concentrated prior to sale. In his contemporaneous article, Brochet stated that his catalytically hydrogenated solution could be used "economically to obtain concentrated indigo white [i.e., leuco indigo] solutions that are free of impurities and alkaline salts, that can be concentrated in vacuum in order to obtain white indigo as a paste". This mere failure to discuss immediate use of his leuco indigo solution for dyeing is not the same thing as Brochet stating in his article that, though most dyes may be used immediately or stored in oxygen-excluding containers, his leuco indigo solution

464 F.3d 1356, *, 2006 U.S. App. LEXIS 24642, **;
80 U.S.P.Q.2D (BNA) 1641

may only be concentrated in paste form. We will not read into a reference a teaching away from a process where no such language exists.

c. Is there a motivation to combine?

DyStar argues that this court's "suggestion test" for obviousness requires the cited references themselves to contain a suggestion, teaching, or motivation to combine them, and that it must be explicitly stated. DyStar then points out, correctly, that Brochet does not suggest combining his invention with those of Chaumat or Wimmer to stabilize his leuco indigo solution [**23] in oxygen-excluding containers until either using it directly in the dye bath or placing it on the market for sale, respectively. [*1365] Absent such a teaching, urges DyStar, the invention of claim 1 of the '992 patent cannot be obvious.

DyStar's argument misreads this court's cases and misdescribes our suggestion test, echoing notions put forth recently by various commentators and accepted in major reports. A 2003 report by the Federal Trade Commission, for example, quoted testimony of certain witnesses that this court requires "specific and definitive [prior] art references with clear motivation of how to combine those references" and requires the PTO to find "the glue expressly leading you all the way [to obviousness]" and "connect the dots . . . very, very clearly." Fed. Trade Comm'n, *To Promote Innovation: The Proper Balance of Competition and Patent Law and Policy* ch. 4, at 11 (2003). Similarly, a 2004 report by the National Academy of Sciences summarized views of a few commentators that "standards of patentability--especially the non-obviousness standard--have become too lax as a result of court decisions" by the Federal Circuit, leading to the deterioration of patent quality. [**24] Nat'l Research Council, *A Patent System for the 21st Century 3* (Stephen A. Merrill et al. eds., 2004). But see Am. Intellectual Prop. Law Ass'n, *AIPLA Response to the National Academies Report entitled "A Patent System for the 21st Century"* 10 (2004) ("AIPLA believes that the courts, including the Federal Circuit, have applied the standard of non-obviousness with both the needed rigor and the appropriate vigor, and they have done so with a commendable consistency over the past two decades. If a difficulty exists with application of the non-obviousness standard today, it does not lie in the patent statute or in substantive law of non-obviousness as applied in the courts.")

Seeking to support their assertions about Federal Circuit caselaw, these few commentators have quoted isolated statements from three of our precedents in particular, including *Dembiczak*, 175 F.3d at 1000, wherein we stated that the analysis by the Board of Patent Appeals and Interferences ("Board") "fails to demonstrate how the [two cited] references teach or suggest their combination" (emphasis added), and *In re Lee*, 277 F.3d 1338, 1341,

1344 (Fed. Cir. 2002). [**25] where we characterized the Board's statement that "[t]he conclusion of obviousness may be made from common knowledge and common sense of a person of ordinary skill in the art without any specific hint or suggestion in a particular reference" as "[o]mission of a relevant factor required by precedent." They have also cited our repeated use of the word "references" in the following list from *Ruiz v. A.B. Chance Co.*, 234 F.3d 654 (Fed. Cir. 2000), where we suggested a motivation to combine may be found:

- 1) in the prior art references themselves;
- 2) in the knowledge of those of ordinary skill in the art that certain references, or disclosures in those references, are of special interest or importance in the field; or
- 3) from the nature of the problem to be solved, leading inventors to look to references relating to possible solutions to that problem.

Id. at 665 (emphasis added) (internal quotation marks omitted).

Despite containing arguably imprecise language in these statements, quoted out of context, each of the above-cited cases correctly applies the suggestion test and by no means requires an explicit teaching [**26] to combine to be found in a particular prior art reference. *Dembiczak* involved the combination of a reference in the plastic trash bag art with children's arts and crafts books that included, among innumerable fanciful drawings, jack-o-lanterns. [*1366] Contrary to some interpretations, we stated explicitly that [HN11] evidence of a motivation to combine need not be found in the prior art references themselves, but rather may be found in "the knowledge of one of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved." 175 F.3d at 999 (citation omitted). When not from the prior art references, the "evidence" of motive will likely consist of an explanation of the well-known principle or problem-solving strategy to be applied. Our analysis in *Dembiczak* focused on an explicit teaching in the prior art not because our case law requires it, but because the Board had stated that "the [two cited] references would have suggested the application of . . . facial indicia to the prior art plastic trash bags." *Id.* at 1000 (emphasis added). We held the Board's obviousness determination legally insufficient because, in addition [**27] to failing to make Graham findings, the Board's analysis was "limited to a discussion of the ways that the multiple prior art references can be combined to

464 F.3d 1356, *; 2006 U.S. App. LEXIS 24642, **;
80 U.S.P.Q.2D (BNA) 1641

read on the claimed invention", "rather than pointing to specific information in [the two references] that suggest the combination". *Id.* On appeal to this court, the Commissioner of Patents and Trademarks attempted to defend the Board decision by laying out, using the Graham factors, a clear--and likely affirmable--rationale establishing the level of ordinary skill and explaining the motivation to combine. *Id.* at 1001. We declined to consider these arguments, newly raised on appeal, stating that they did "little more than highlight the shortcomings of the decision below." *Id.*

In Ruiz, as in Dembiczak, we vacated a conclusion of obviousness because the factfinder failed to make Graham factor findings. 234 F.3d at 660. Far from requiring evidence of an explicit motivation to combine, we suggested in Ruiz that there may have existed an implicit motivation to combine, based on testimony that the invention was an improvement over the prior art because it is "easy to [*28] install" and "low cost". *Id.* at 666. We explained that such "[e]vidence which suggests that the combination of two references would suggest the resulting improvement is one way in which to determine a reason, suggestion, or motivation to combine" and instructed the district court to consider the evidence on remand. *Id.*

Likewise, a close reading of *In re Lee* reveals that our objection was not to the Board's statement that "[t]he conclusion of obviousness may be made from common knowledge and common sense of a person of ordinary skill in the art without any specific hint or suggestion in a particular reference", but its utter failure to explain the "common knowledge and common sense" on which it relied. See 277 F.3d at 1341, 1344. *Lee* involved a patent combining a prior art video game instruction handbook describing a "demonstration mode" with a prior art television set having a menu display allowing video and audio adjustments. The Board, without comment, adopted the Examiner's Answer, which merely stated that the combination of the two cited references "would have been obvious to one of ordinary skill in the art since the demonstration [*29] mode is just a programmable feature which can be used in many different devices for providing automatic introduction by adding the proper programming software" and that "another motivation would be that the automatic demonstration mode is user friendly and it functions as a tutorial." *Id.* at 1341. We explained that "[c]onclusory statements such as those here provided do not fulfill the agency's obligation" to explain all material facts relating to a motivation to combine. *Id.* at 1344. In other words, we instructed the Board to explain why "common sense" of an ordinary artisan [*1367] seeking to solve the problem at hand would have led him to combine the references. We noted that our predecessor court held more than thirty years earlier that "common knowledge and common sense" were sufficient to estab-

lish a motivation to combine, *In re Bozek*, 57 C.C.P.A. 713, 416 F.2d 1385 (C.C.P.A. 1969), and distinguished that case because, in *Bozek*, the examiner first "established that this knowledge was in the art". *Id.* at 1390. We instructed that assumptions about common sense cannot substitute for evidence thereof, as the Board attempted [*30] to do in *Lee* 277 F.3d at 1345; see also *In re Zurko*, 258 F.3d 1379, 1383, 1385 (Fed. Cir. 2001) (reversing as unsupported by substantial evidence a finding of motivation to combine cited references, where the Board adopted Examiner's unsupported assertion that claim limitation missing from cited references was "basic knowledge" and it "would have been nothing more than good common sense" to combine the references, and explaining that "[t]his assessment of basic knowledge and common sense was not based on any evidence in the record"); *In re Rouffet*, 149 F.3d 1350, 1357 (Fed. Cir. 1998) (affirming finding of high level of ordinary skill and the Board's explanation as to why cited reference implicitly would suggest missing claim limitation to ordinary artisan, but reversing its reliance on high level of ordinary skill as basis of motivation to combine, and stating, "The Board did not, however, explain what specific understanding or technological principle within the knowledge of one of ordinary skill in the art would have suggested the combination. Instead, the Board merely invoked the high level of skill in the field of art. If [*31] such a rote invocation could suffice to supply a motivation to combine, the more sophisticated scientific fields would rarely, if ever, experience a patentable technical advance.")

It is difficult to see how our suggestion test could be seen as rigid and categorical given the myriad cases over several decades in which panels of this court have applied the suggestion test flexibly. Obviousness is a complicated subject requiring sophisticated analysis, and no single case lays out all facets of the legal test. DyStar's argument and the above-cited commentary highlight the danger inherent in focusing on isolated dicta rather than glean[ing] the law of a particular area from careful reading of the full text of a group of related precedents for all they say that is dispositive and for what they hold. When parties like DyStar do not engage in such careful, candid, and complete legal analysis, much confusion about the law arises and, through time, can be compounded. n3

n3 Indeed, the United States Supreme Court recently granted certiorari in a case involving this court's application of the suggestion test. *KSR Int'l Co. v. Teleflex, Inc.*, 126 S. Ct. 2965, 165 L. Ed. 2d 949, 2006 U.S. LEXIS 4912 (June 26, 2006). In *KSR*, we vacated a district court's grant of summary judgment of invalidity for obviousness. The district court found a motivation to combine not in

464 F.3d 1356, *; 2006 U.S. App. LEXIS 24642, **;
80 U.S.P.Q.2D (BNA) 1641

the references but "largely on the nature of the problem to be solved", which we did not deem erroneous. *Teleflex, Inc. v. KSR Int'l Co.*, 119 Fed. App'x 282, 287 (Fed. Cir. 2005) (unpublished). Rather, we vacated because the court did not explain sufficiently its rationale, and failed to make "findings as to the specific understanding or principle within the knowledge of a skilled artisan that would have motivated one with no knowledge of [the] invention to make the combination in the manner claimed." *Id.* at 288 (citation omitted).

[**32]

[HN12] Our suggestion test is in actuality quite flexible and not only permits, but requires, consideration of common knowledge and common sense. See, e.g., *In re Kozab*, 217 F.3d 1365, 1369 (Fed. Cir. 2000) ("A critical step in analyzing the patentability of claims pursuant to section 103(a) is casting [*1368] the mind back to the time of invention, to consider the thinking of one of ordinary skill in the art, guided only by the prior art references and the then-accepted wisdom in the field."); *Motorola*, 121 F.3d at 1472 ("[T]he suggestion to combine may come from the prior art, as filtered through the knowledge of one skilled in the art."); *Bozek*, 416 F.2d at 1390 ("Having established that this knowledge was in the art, the examiner could then properly rely, as put forth by the solicitor, on a conclusion of obviousness 'from common knowledge and common sense of the person of ordinary skill in the art without any specific hint or suggestion in a particular reference.'").

Indeed, [HN13] we have repeatedly held that an implicit motivation to combine exists not only when a suggestion may be gleaned from the prior art as a whole, but when the [**33] "improvement" is technology-independent and the combination of references results in a product or process that is more desirable, for example because it is stronger, cheaper, cleaner, faster, lighter, smaller, more durable, or more efficient. Because the desire to enhance commercial opportunities by improving a product or process is universal--and even common-sensical--we have held that there exists in these situations a motivation to combine prior art references even absent any hint of suggestion in the references themselves. In such situations, the proper question is whether the ordinary artisan possesses knowledge and skills rendering him capable of combining the prior art references.

In *Pro-Mold & Tool Co., Inc. v. Great Lakes Plastics, Inc.*, 75 F.3d 1568 (Fed. Cir. 1996), for example, we analyzed asserted obviousness of a claimed invention of a sports trading card holder only slightly larger than the trading card. We stated that "[w]e start from the self-evident proposition that mankind, in particular, in-

ventors, strive to improve that which already exists". *Id.* at 1573. We required no documentary evidence of motive. We explained that the [**34] motivation to combine "a reference describing an elegant card holder and cover arrangement with a reference describing a card holder no larger than necessary to enclose the card . . . was thus evident from the very size of the card itself." *Id.* at 1573. Because an ornamental card holder just large enough to enclose the card would be more efficient, there existed an implicit, indeed common-sensical, motivation to combine the two references.

n4 We vacated the district court's grant of summary judgment of invalidity for other reasons, finding genuine disputes of material fact on the issue of commercial success. *Id.* at 1573.

Similarly, in *Sandt Tech. Ltd. v. Resco Metal & Plastics Corp.*, 264 F.3d 1344, 1355 (Fed. Cir. 2001), we held invalid for obviousness a patent claim for a stainless steel cover for pay telephones. The only relevant difference between the claimed invention and the prior art covers was that the former attached the steel cover to the telephone via studs and the latter attached it with welds. *Id.* We noted that the difference between attaching with welds and studs was merely a "slight variation [**35] that produced convenience". *Id.* We found a clear motive to alter the prior art welded cover simply because "[u]sing studs was a cheaper, faster, and more convenient method of attachment", *id.*, absent even a hint of suggestion to combine.

In *Mazzari v. Rogan*, 323 F.3d 1000 (Fed. Cir. 2003), we affirmed a district court grant of summary judgment of invalidity for obviousness of a patent claiming the use of underwater acoustic waves to kill zebra mussels. The Board had upheld the rejection of an application based on two prior art patents: an acoustic wave generator [*1369] that enabled altering wave intensity and focusing acoustic energy along a particular angle, and a method of using water-borne acoustic waves to kill zebra mussels. The Board held that a motivation to combine the two references existed because an ordinary artisan would have been aware of both references and that combination of the two was "more efficient". *Id.* at 1002-03. The inventor then brought a civil suit against the Director of the PTO pursuant to 35 U.S.C. § 145, and the district court granted summary judgment in favor of the Director. We deemed sufficient [**36] the Board's explanation of a motivation to combine and affirmed "because the references illustrate that it is well known in the art to use acoustic energy to kill and repel zebra mussels." *Id.* at 1006, see also *Ruz.* 234 F.3d at 666 (remanding for determination of whether testimony that claimed invention was "easy to install" and "low cost" established motivation to combine).

464 F.3d 1356, *; 2006 U.S. App. LEXIS 24642, **;
80 U.S.P.Q.2D (BNA) 1641

In situations where a motivation to combine is based on these principles, the invention cannot be said to be nonobvious. Our precedent on this point, moreover, is consistent with the Supreme Court's holdings in *Graham* and three other obviousness decisions pre-dating the establishment of this court. See *Sakraida v. AG Pro, Inc.*, 425 U.S. 273, 282, 96 S. Ct. 1532, 47 L. Ed. 2d 784 (1976); *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57, 90 S. Ct. 305, 24 L. Ed. 2d 258 (1969); *United States v. Adams*, 383 U.S. 39, 86 S. Ct. 708, 15 L. Ed. 2d 572, 174 Ct. Cl. 1293 (1966).

In *Anderson's-Black Rock*, the Supreme Court held invalid for obviousness a patent covering (1) a radiant burner for heating asphalt (2) attached to the front of a standard asphalt-paving machine. Both [*37] elements were well-known in the prior art individually, with the difference being that previously, radiant-heat burners were not used in paving, but merely for patching limited areas of asphalt. 396 U.S. at 58-59. Because asphalt is usually laid sequentially in parallel strips, the adjoining strip cools before the next strip is laid, leading to what is known as a "cold joint"—an area of poor bonding into which water and dirt enter, causing deterioration. *Id.* at 57-58. By reheating the adjoining edge of the earlier-laid strip as a new strip is laid, the invention sought to eliminate the cold joint. No explicit suggestion to combine the prior art references would have been necessary because the invention merely improved the efficiency of the already-known process of laying pavement through the already-known method of merging two sections of asphalt through re-heating the earlier laid section—both of which would have been common knowledge to ordinary artisans in the field of laying asphalt. See also *Graham*, 383 U.S. at 24-25 (holding invalid for obviousness *Graham's* patent disclosing a spring clamp on a plow shank, where claimed invention [*38] merely improved mechanical weakness in prior *Graham* patent, because ordinary artisan would have had mechanical skills sufficient to "immediately see that the thing to do was what *Graham* did"); *id.* at 36-37 (holding invalid for obviousness *Cook Chemical's* patent disclosing a plastic finger sprayer with a "hold-down" lid serving as a built-in dispenser for bottles of liquid products, where differences from prior art were "exceedingly small and quite non-technical" and device was "old in the art").

Likewise, in *Sakraida*, the Supreme Court held invalid for obviousness a patent for a barn having "a paved, sloped barn floor with downhill drains", "elevated" cow stalls, and a "dam" behind which water may be stored and abruptly released in order to "send a sheet of water cascading through the dairy sweeping the manure to the downhill drains." *Ag Pro, Inc. v. Sakraida*, [*1370] 474 F.2d 167, 168 (5th Cir. 1973) (quoting *U.S. Patent No. 3,223,070*), rev'd by 425 U.S. 273, 96 S. Ct. 1532, 47 L. Ed.

2d 784. Because the cleaning action from an uphill release of water was superior to that from a hose, the claimed invention reduced the quantity of water necessary to clean the barn floor [*39] and obviated additional hand labor, e.g., brooms or shovels, shortening the cleaning process from a few hours to a few minutes. *Id.* The Supreme Court nonetheless negated patent protection, characterizing the invention as "the work of the skillful mechanic, not that of the inventor." *Sakraida*, 425 U.S. at 279 (internal quotation marks omitted). The Court aptly noted that "[e]xploitation of the principle of gravity adds nothing to the sum of useful knowledge". *Id.* Under this court's case law, there would have been no need for "evidence" of a motivation to combine a prior art reference with a universally-known physical principle to achieve more powerful and simultaneous sweep of water.

In *Adams*, a companion case to *Graham*, the Supreme Court upheld the validity of a patent for a non-rechargeable water-activated battery having magnesium and cuprous chloride electrodes. *Adams*, 383 U.S. at 51. The Court recognized that "each of the elements of the *Adams* battery was well known in the prior art", but rejected the *United States'* obviousness argument because the prior art taught away from the *Adams* patent's combination. As the Court succinctly [*40] stated:

To combine [the references] as did *Adams* required that a person reasonably skilled in the prior art must ignore that (1) batteries which continued to operate on an open circuit and which heated in normal use were not practical; and (2) water-activated batteries were successful only when combined with electrolytes detrimental to the use of magnesium.

Id. at 51-52. The Court instructed that such "known disadvantages in old devices . . . may be taken into account in determining obviousness", *id.* at 52, and we have incorporated this notion into our case law. See, e.g., *Fulton*, 391 F.3d at 1199-1200 (instructing the factfinder to determine "[w]hat the prior art teaches, whether it teaches away from the claimed invention, and whether it motivates a combination of teachings from different references").

[HN14] Although this court customarily discusses a motivation to combine as part of the first *Graham* factor, the scope and content of the prior art, see *SIBIA Neurosciences*, 225 F.3d at 1356, motivation to combine is also inextricably linked to the level of ordinary skill. If, as is usually the case, no prior art reference contains an express suggestion to combine references, then the level

464 F.3d 1356, *; 2006 U.S. App. LEXIS 24642, **;
80 U.S.P.Q.2D (BNA) 1641

of ordinary skill will often predetermine whether an implicit suggestion exists. Persons of varying degrees of skill not only possess varying bases of knowledge, they also possess varying levels of imagination and ingenuity in the relevant field, particularly with respect to problem-solving abilities. If the level of skill is low, for example that of a mere dyer, as DyStar has suggested, then it may be rational to assume that such an artisan would not think to combine references absent explicit direction in a prior art reference. If, however, as we have held as a matter of law, the level of skill is that of a dyeing process designer, then one can assume comfortably that such an artisan will draw ideas from chemistry and systems engineering--without being told to do so.

A dyeing process designer would have been aware that reducing leuco indigo in-house was time-consuming as well as expensive and that it created much pollution [*1371] on the dyehouse floor and in public sewers. He would have known that purchasing solid prerduced indigo would save time, space, and money: dyers would no longer spend [*42] time creating stock vats, and the dyehouse would require far less hydrosulfite and caustic soda. A dyeing process designer reading Chaumat would have learned that leuco indigo solution "may be drawn off protected from the air and preserved indefinitely in receptacles which are either soldered or closed in any other hermetic manner." Chaumat, 11.84-87. From his chemistry background, he would have known how to close off a receptacle hermetically. He would have known that, if he could thus stabilize leuco indigo solution, he would save even more time, space, and money: dyers would no longer need stock vats or preparation tanks because they could simply pour the prerduced solution directly into the dye bath itself, and they would no longer need to purchase any hydrosulfite or caustic soda. A dyeing process designer reading Brochet would have realized that catalytic hydrogenation provided advantages over other methods of indigo reduction in that the leuco indigo was "free from impurities and mineral salts". Brochet, 190. Naturally, then, an ordinary artisan with knowledge of Chaumat, reading Brochet, would have realized that, by stabilizing catalytic hydrogenated leuco indigo solution [*43] in oxygen-excluding containers, he could devise a "cheaper, faster, and more convenient" indigo dyeing process. See *Sandt*, 264 F.3d at 1355. Although the '992 patent claimed a new, more efficient, way of performing a known function, dyeing indigo--the asserted innovation, storing leuco indigo solution in airtight containers for immediate use in dye baths, is merely "exploitation" of the well-known principle of vacuum packaging. See *Sakraida*, 425 U.S. at 279. In sum, it is the work of a skilled chemist, not of an inventor.

3. Secondary Considerations of Nonobviousness

The presence of certain secondary considerations of nonobviousness are insufficient as a matter of law to overcome our conclusion that the evidence only supports a legal conclusion that claim 1 would have been obvious. To be sure, the jury heard testimony that DyStar has enjoyed considerable commercial success from the introduction of its product, and all parties agree that eighty years elapsed between Brochet's invention and another inventor's thought to vacuum-seal the Brochet solution and add it directly to the dye bath. However, Mr. Schnitzer's testimony that BASF's "people" [*44] from production--who we here assume *arguendo* were dyeing process designers--believed that leuco indigo solution added directly to the dye bath might "stain the yarn with indigo pigment" or "block[] pipes" was a bare assertion that is not only undocumented and non-specific, but also unsupported by even a brief explanation of the chemistry underlying this assumption. As such, it does not constitute substantial evidence of a secondary consideration favoring nonobviousness.

Moreover, another secondary consideration cited by DyStar--i.e., failed attempts--actually detracts from its argument, and heavily so. DyStar points out that another chemical company, Buffalo Color, abandoned a 1979 effort to market a prerduced indigo solution made by hydrosulfite reduction. The record shows, however, that Buffalo was only mildly concerned with instability problems--it noted only that the instability of leuco indigo "would require special (and costly) shipping conditions to protect it from oxidation". Rather, Buffalo decided against selling a leuco indigo solution because it would involve increased shipping costs, might require customers to invest in additional [*1372] storage facilities, and would cost [*45] more to produce, likely forcing it to increase prices to customers. Buffalo's decision was thus not a failed attempt, but a calculated business judgment to abandon a potential new product line.

C

Our inquiry does not end here, however, because [HN15] we must evaluate obviousness on a claim-by-claim basis. *Dayco Prods., Inc. v Total Containment, Inc.*, 329 F.3d 1358, 1370 (Fed. Cir. 2003) ("[D]ependent or multiple dependent claims shall be presumed valid even though dependent upon an invalid claim.").

Claims 2-4 depend from process claim 1. Claim 2 requires that the resulting solution contain from 10% to 35% by weight of leuco indigo; claim 3 requires that the solution contain from 2% to 10% by weight of alkali; and claim 4 requires that the solution contain from 2% to 10% by weight of sodium hydroxide. Dr. Blackburn, DyStar's own expert witness, confirmed that the plain language of Wimmer sets forth a "30 percent aqueous solution of

464 F.3d 1356, *; 2006 U.S. App. LEXIS 24642, **;
80 U.S.P.Q.2D (BNA) 1641

leuco indigo", which falls within the range prescribed by claim 2. Dr. Blackburn also testified that the solution disclosed by Wimmer contains "5.1 percent" by weight of alkali--the claim language says "at least six and a half percent", [*46] both of which fall between 2% and 10%, as required by claim 3. Likewise, Wimmer indicates that his example solution uses "NaOH", sodium hydroxide, and Mr. Schnitzer agreed with Bann's counsel's assertion that the term "caustic" is "chemically the same thing as sodium hydroxide", which meets the requirement of claim 4. DyStar does not dispute these concessions on appeal. Thus, given DyStar's testimony and the plain language of Wimmer, claims 2-4 do not recite a nonobvious invention beyond that recited in claim 1. Accordingly, claims 2-4 must also be held invalid for obviousness as a matter of law.

III

In sum, because an ordinary artisan is a person designing an optimal textile dyeing process with some expertise in chemistry, the jury's implicit finding that the level of ordinary skill in the art is a dyer is unsupported by substantial evidence; its corresponding decision to disregard the primary cited prior art as nonanalogous was also erroneous. Under the correct level of ordinary skill, it would have been obvious from Chaumat and Brochet, in

view of Wimmer and other references, to stabilize catalytically hydrogenated leuco indigo solution through vacuum conditions and to introduce [*47] the solution directly into the dye bath.

Because all claims are held invalid for obviousness, we need not address alleged anticipation of claim 1 or lack of enablement as to claims 1-4. Likewise, whether the '992 patent is unenforceable due to inequitable conduct need not be decided. Finally, we do not address the request for a new trial as all asserted claims are held invalid as a matter of law for obviousness. Accordingly, the trial court's denial of JMOL that claims 1-4 of the '992 patent are invalid for obviousness is reversed.

REVERSED.

CONCUR BY: SCHALL

CONCUR: SCHALL, Circuit Judge, concurring.

I concur in the judgment of reversal. See *Alza Corp. v. Mylan Labs., Inc.*, No. 06-1088, 2006 U.S. App. LEXIS 22616, at 4-7 (Fed. Cir. Sept. 6, 2006); *In re Kahn*, 441 F.3d 977, 987-88 (Fed. Cir. 2006); *Cross Med. Prods., Inc. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293, 1322 (Fed. Cir. 2005).

RECEIVED
CENTRAL FAX CENTER

FEB 12 2007

Katten

KattenMuchinRosenman LLP

525 W. Monroe Street
Chicago, IL 60661-3893
312.902.5200 tel
312.902.1061 fax

Facsimile

To	Company	Fax Number	Phone Number
Examiner Traci Smith	USPTO - Art Unit 3629	571-273-8300	
Date	Client/Matter Number		
February 12, 2007	331235-00021		
From	Attorney Number		
John S. Paniaguas	32347		
Phone	Fax		
312.902.5312	312.577.4532		

Total number of pages, including cover letter: 27

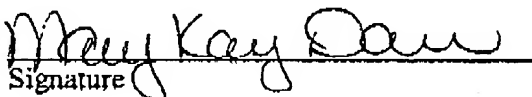
If you do not receive all of the pages, please call: 312.902.5200

Comments **Serial No. 696,894; Filed: October 30, 2003**

Certificate of Transmission

I hereby certify that this correspondence is being transmitted via facsimile to the U.S. Patent & Trademark Office to (571) 273-8300 on this 12th day of February, 2007.

Mary Kay Darr
Typed or printed name


Signature

For Messenger Department Use Only

Your fax has been sent. Attached is your original.

Date Time

Signature

Important

This facsimile transmission contains information intended for the exclusive use of the individual or entity to whom it is addressed and may contain information that is proprietary, privileged, confidential and/or exempt from disclosure under applicable law.

If you are not the intended recipient (or an employee or agent responsible for delivering this facsimile transmission to the intended recipient), you are hereby notified that any copying, disclosure or distribution of this information may be subject to legal restriction or sanction. Please notify the sender by telephone to arrange for the return or destruction of the information and all copies.

CHICAGO CHARLOTTE IRVING LONDON LOS ANGELES NEW YORK PALO ALTO WASHINGTON, DC WWW.KATTENLAW.COM

LONDON AFFILIATE: KATTEN MUCHIN ROSENMAN CORNISH LLP

A limited liability partnership including professional corporations

**RECEIVED
CENTRAL FAX CENTER**

02-12-07 12:18

From-KATTEN MUCHIN ROSENMAN 13129021061

3129021061

FEB 12 2007

P.02

F-200

PTO/SB/21 (09-06)

Approved for use through 03/31/2007 OMB 0851-0031

U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number.

TRANSMITTAL FORM <small>(to be used for all correspondence after initial filing)</small>	Application Number	10/696,894
	Filing Date	October 30, 2003
	First Named Inventor	Gary W. Ramsden
	Art Unit	3829
	Examiner Name	Traci L. Smith
Total Number of Pages in This Submission	Attorney Docket Number	331235-00021

ENCLOSURES (Check all that apply)		
<input checked="" type="checkbox"/> Fee Transmittal Form <input type="checkbox"/> Fee Attached <input type="checkbox"/> Amendment/Reply <input type="checkbox"/> After Final <input type="checkbox"/> Affidavits/declaration(s) <input type="checkbox"/> Extension of Time Request <input type="checkbox"/> Express Abandonment Request <input type="checkbox"/> Information Disclosure Statement <input type="checkbox"/> Certified Copy of Priority Document(s) <input type="checkbox"/> Reply to Missing Parts/ Incomplete Application <input type="checkbox"/> Reply to Missing Parts under 37 CFR 1.52 or 1.53	<input type="checkbox"/> Drawing(s) <input type="checkbox"/> Licensing-related Papers <input type="checkbox"/> Petition <input type="checkbox"/> Petition to Convert to a Provisional Application <input type="checkbox"/> Power of Attorney, Revocation Change of Correspondence Address <input type="checkbox"/> Terminal Disclaimer <input type="checkbox"/> Request for Refund <input type="checkbox"/> CD, Number of CD(s) _____ <input type="checkbox"/> Landscape Table on CD <div style="border: 1px solid black; padding: 2px;">Remarks</div>	<input type="checkbox"/> After Allowance Communication to TC <input type="checkbox"/> Appeal Communication to Board of Appeals and Interferences <input type="checkbox"/> Appeal Communication to TC (Appeal Notice, Brief, Reply Brief) <input type="checkbox"/> Proprietary Information <input type="checkbox"/> Status Letter <input checked="" type="checkbox"/> Other Enclosure(s) (please identify below). Examiner's Answer (with attachments)

SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT			
Firm Name	Katten Muchin Rosenman LLP		
Signature			
Printed name	John S. Paniagua		
Date	February 12, 2007	Reg No	31,051

CERTIFICATE OF TRANSMISSION/MAILING	
I hereby certify that this correspondence is being facsimile transmitted to the USPTO or deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on the date shown below.	
Signature	
Typed or printed name	Mary Kay Darr
Date	February 12, 2007

This collection of information is required by 37 CFR 1.5. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 2 hours to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

if you need assistance in completing the form, call 1-800-PTO-9199 and select option 2

02-12-07 12:18

From-KATTEN MUCHIN ROSENMAN 13129021061

FEB 12 2007

T-408 P.03

F-200

Approved for use through 01/31/2007. OMB 0851-0032
U.S. Patent and Trademark Office, U.S. DEPARTMENT OF COMMERCE

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number.

Effective on 12/08/2004 Fees pursuant to the Consolidated Appropriations Act, 2005 (H.R. 4818)		Complete if Known	
<h1 style="text-align: center;">FEE TRANSMITTAL</h1> <h2 style="text-align: center;">For FY 2006</h2>		Application Number	10/696,894
		Filing Date	October 30, 2003
		First Named Inventor	Gary W. Ramsden
		Examiner Name	Traci L. Smith
		Art Unit	3629
<input type="checkbox"/> Applicant claims small entity status. See 37 CFR 1.27		Attorney Docket No.	331235-00021
TOTAL AMOUNT OF PAYMENT (\$)			

METHOD OF PAYMENT (check all that apply)

☐ Check
 ☐ Credit Card
 ☐ Money Order
 ☐ None
 ☐ Other (please identify): _____

☒ Deposit Account Deposit Account Number 50-1214 Deposit Account Name: Katten Muchin Rosenman LLP

For the above-identified deposit account, the Director is hereby authorized to (check all that apply)

☐ Charge fee(s) indicated below
 ☐ Charge fee(s) indicated below, except for the filing fee

☒ Charge any additional fee(s) or underpayments of fee(s) under 37 CFR 1.16 and 1.17
 ☐ Credit any overpayments

WARNING: Information on this form may become public. Credit card information should not be included on this form. Provide credit card information and authorization on PTO-2038.

FEE CALCULATION

1. BASIC FILING, SEARCH, AND EXAMINATION FEES

Application Type	FILING FEES		SEARCH FEES		EXAMINATION FEES		Fees Paid (\$)
	Fee (\$)	Small Entity Fee (\$)	Fee (\$)	Small Entity Fee (\$)	Fee (\$)	Small Entity Fee (\$)	
Utility	300	150	500	250	200	100	
Design	200	100	100	50	130	65	
Plant	200	100	300	150	160	80	
Reissue	300	150	500	250	600	300	
Provisional	200	100	0	0	0	0	

2. EXCESS CLAIM FEES

Fee Description	Fee (\$)	Small Entity Fee (\$)
Each claim over 20 (including Reissues)	50	25
Each independent claim over 3 (including Reissues)	200	100
Multiple dependent claims	360	180

Total Claims: _____ Extra Claims: _____ Fee (\$): _____ Fee Paid (\$): _____
 HP = highest number of total claims paid for, if greater than 20

Indep. Claims: _____ Extra Claims: _____ Fee (\$): _____ Fee Paid (\$): _____
 HP = highest number of independent claims paid for, if greater than 3

3. APPLICATION SIZE FEE

If the specification and drawings exceed 100 sheets of paper (excluding electronically filed sequence or computer listings under 37 CFR 1.52(e)), the application size fee due is \$250 (\$125 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).

Total Sheets: _____ Extra Sheets: _____ Number of each additional 50 or fraction thereof: _____ Fee (\$): _____ Fee Paid (\$): _____
 - 100 = _____ / 50 = _____ (round up to a whole number) x _____ = _____

4. OTHER FEE(S)

Non-English Specification, \$130 fee (no small entity discount) Fees Paid (\$): _____

Other (e.g., late filing surcharge) Reply to Examiner's Answer: _____

SUBMITTED BY		
Signature	Registration No. (Attorney/Agent) 31.051	Telephone 312-802-5200
Name (Print/Type) John S. Paraguanas		Date February 12, 2007

This collection of information is required by 37 CFR 1.135. The information is required to obtain or retain a benefit by this public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 30 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2

**This Page is Inserted by IFW Indexing and Scanning
Operations and is not part of the Official Record**

BEST AVAILABLE IMAGES

Defective images within this document are accurate representations of the original documents submitted by the applicant.

Defects in the images include but are not limited to the items checked:

- ☒ **BLACK BORDERS**
- ☒ **IMAGE CUT OFF AT TOP, BOTTOM OR SIDES**
- ☒ **FADED TEXT OR DRAWING**
- ☒ **BLURRED OR ILLEGIBLE TEXT OR DRAWING**
- ☒ **SKEWED/SLANTED IMAGES**
- ☒ **COLOR OR BLACK AND WHITE PHOTOGRAPHS**
- ☐ **GRAY SCALE DOCUMENTS**
- ☐ **LINES OR MARKS ON ORIGINAL DOCUMENT**
- ☐ **REFERENCE(S) OR EXHIBIT(S) SUBMITTED ARE POOR QUALITY**
- ☐ **OTHER:** _____

IMAGES ARE BEST AVAILABLE COPY.

As rescanning these documents will not correct the image problems checked, please do not report these problems to the IFW Image Problem Mailbox.